

AMENDED IN ASSEMBLY APRIL 29, 2010

AMENDED IN ASSEMBLY APRIL 20, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 2531**

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**Introduced by Assembly Member Fuentes**  
**(Principal coauthor: Assembly Member Bradford)**

February 19, 2010

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An act to amend, *repeal, and add* Sections 33020, 33021, 33071, 33440, 33444.5, and 33444.6 of, to add *and repeal* Sections 33131.5 and 33333.9 ~~to of~~, and to add *and repeal* Article 10.5 (commencing with Section 33427) ~~to of~~ Chapter 4 of Part 1 of Division 24 of, the Health and Safety Code, relating to redevelopment.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2531, as amended, Fuentes. Redevelopment: economic development.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law defines the term “redevelopment” for these purposes and specifies the scope of activities that the term includes. Existing law also makes specified legislative findings and declarations regarding the fundamental purposes of redevelopment.

This bill would include in the definition of the term “redevelopment” those activities that ~~support~~ *result in* the provision of employment opportunities and expand the scope of activities included in that term. This bill would also make additional legislative findings and declarations

regarding the fundamental purposes of redevelopment. The bill would additionally authorize the Redevelopment Agency of the City of Los Angeles, at the request of its legislative body, to prepare applications for, and execute, economic development programs, to accept public or private assistance, and to expend those funds for any economic development activities inside or outside a project area within the territorial jurisdiction of the agency. The bill would also authorize a redevelopment agency to provide assistance for establishment and maintenance of a small business incubator. This bill would also prohibit an agency from amending a redevelopment plan to increase or extend certain required limitations for the purpose of implementing these provisions.

(2) Existing law authorizes an agency to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial, industrial, or other uses contemplated by the redevelopment plan. An agency is also authorized to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the project area.

This bill would expand the agency's programmatic authority by authorizing it to provide loans, financial guarantees, or other financial assistance to owners or tenants in a redevelopment project area for retaining or expanding employment in the project area, increasing energy efficiency of buildings in the project area, or for any other redevelopment purpose, as specified.

(3) *This bill would repeal its provisions on January 1, 2016, as specified.*

~~This~~

(4) *This bill would make legislative findings and declarations as to the necessity for a special statute.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 33020 of the Health and Safety Code is
- 2 amended to read:
- 3 33020. (a) "Redevelopment" means the planning, development,
- 4 replanning, redesign, clearance, reconstruction, or rehabilitation,
- 5 or any combination of these, of all or part of a survey area, and

1 the provision of those residential, commercial, industrial, public,  
2 or other structures or spaces as may be appropriate or necessary  
3 in the interest of the general welfare, including recreational and  
4 other facilities incidental or appurtenant to them, activities that  
5 ~~support~~ result in the provision of employment opportunities, and  
6 payments to school and community college districts in the fiscal  
7 years specified in Sections 33681, 33681.5, 33681.7, 33681.9, and  
8 33681.12.

9 (b) *This section shall remain in effect only until January 1, 2016,*  
10 *and as of that date is repealed, unless a later enacted statute, that*  
11 *is enacted before January 1, 2016, deletes or extends that date.*

12 SEC. 1.5. *Section 33020 is added to the Government Code, to*  
13 *read:*

14 33020. (a) *“Redevelopment” means the planning, development,*  
15 *replanning, redesign, clearance, reconstruction, or rehabilitation,*  
16 *or any combination of these, of all or part of a survey area, and*  
17 *the provision of those residential, commercial, industrial, public,*  
18 *or other structures or spaces as may be appropriate or necessary*  
19 *in the interest of the general welfare, including recreational and*  
20 *other facilities incidental or appurtenant to them and payments to*  
21 *school and community college districts in the fiscal years specified*  
22 *in Sections 33681, 33681.5, 33681.7, 33681.9, and 33681.12.*

23 (b) *This section shall become operative on January 1, 2016.*

24 SEC. 2. Section 33021 of the Health and Safety Code is  
25 amended to read:

26 33021. (a) Redevelopment includes *the following:*

27 ~~(a)~~

28 (1) The alteration, improvement, modernization, reconstruction,  
29 or rehabilitation, or any combination of these, of existing structures  
30 in a project area.

31 ~~(b)~~

32 (2) Provision for open-space types of use, such as streets and  
33 other public grounds and space around buildings, and public or  
34 private buildings, structures and improvements, and improvements  
35 of public or private recreation areas and other public grounds.

36 ~~(c)~~

37 (3) The replanning or redesign or original development of  
38 undeveloped areas as to which either of the following conditions  
39 ~~exist:~~ *exist:*

40 ~~(1)~~

1 (A) The areas are stagnant or improperly utilized because of  
2 defective or inadequate street layout, faulty lot layout in relation  
3 to size, shape, accessibility, or usefulness, or for other causes.

4 ~~(2)~~

5 (B) The areas require replanning and land assembly for  
6 reclamation or development in the interest of the general welfare  
7 because of widely scattered ownership, tax delinquency, or other  
8 reasons.

9 ~~(d)~~

10 (4) The provision of direct assistance to businesses in connection  
11 with new or existing facilities within redevelopment project areas  
12 for industrial or manufacturing uses, including loans, loan  
13 guarantees, and other financial assistance, and the provision or  
14 replacement of machinery and equipment in those facilities,  
15 provided the assistance is ~~intended to retain or expand~~ *reasonably*  
16 *expected to result in the retention or expansion of* the number of  
17 persons employed in industrial or manufacturing jobs and achieve  
18 any of the following:

19 ~~(1)~~

20 (A) Reduce emissions of greenhouse gases.

21 ~~(2)~~

22 (B) Increase the use of clean, renewable, or alternative energy.

23 ~~(3)~~

24 (C) Increase energy efficiency.

25 ~~(4)~~

26 (D) Increase the use of recycled and locally sourced materials.

27 ~~(5)~~

28 (E) Increase efficiency in water, wastewater and stormwater  
29 systems.

30 ~~(6)~~

31 (F) Increase the efficiency of construction methods.

32 ~~(7)~~

33 (G) Reduce demolition and construction-induced pollution and  
34 waste material generation.

35 ~~(8)~~

36 (H) Improve indoor air quality.

37 ~~(9)~~

38 (I) Reduce building operation costs through increased operation  
39 and maintenance efficiency.

40 ~~(10)~~

1 (J) Reduce public infrastructure costs related to development.

2 (~~e~~)

3 (5) Job training, job placement, apprenticeship and  
4 preapprenticeship programs, and services relating to construction  
5 or to operations of businesses in project areas.

6 (b) *This section shall remain in effect only until January 1, 2016,*  
7 *and as of that date is repealed, unless a later enacted statute, that*  
8 *is enacted before January 1, 2016, deletes or extends that date.*

9 SEC. 2.5. *Section 33021 is added to the Government Code, to*  
10 *read:*

11 33021. (a) *Redevelopment includes the following:*

12 (1) *The alteration, improvement, modernization, reconstruction,*  
13 *or rehabilitation, or any combination of these, of existing structures*  
14 *in a project area.*

15 (2) *Provision for open-space types of use, such as streets and*  
16 *other public grounds and space around buildings, and public or*  
17 *private buildings, structures and improvements, and improvements*  
18 *of public or private recreation areas and other public grounds.*

19 (3) *The replanning or redesign or original development of*  
20 *undeveloped areas as to which either of the following conditions*  
21 *exist:*

22 (A) *The areas are stagnant or improperly utilized because of*  
23 *defective or inadequate street layout, faulty lot layout in relation*  
24 *to size, shape, accessibility, or usefulness, or for other causes.*

25 (B) *The areas require replanning and land assembly for*  
26 *reclamation or development in the interest of the general welfare*  
27 *because of widely scattered ownership, tax delinquency, or other*  
28 *reasons.*

29 (b) *This section shall become operative on January 1, 2016.*

30 SEC. 3. Section 33071 of the Health and Safety Code is  
31 amended to read:

32 33071. (a) The Legislature further finds and declares that a  
33 fundamental purpose of redevelopment is to expand the supply of  
34 low- and moderate-income housing, to expand employment  
35 opportunities for jobless, underemployed, and low-income persons,  
36 to attract and retain businesses in order to enhance employment  
37 opportunities, and to provide an environment for the social,  
38 economic, and psychological growth and well-being of all citizens.

1     **(b)** *This section shall remain in effect only until January 1, 2016,*  
2     *and as of that date is repealed, unless a later enacted statute, that*  
3     *is enacted before January 1, 2016, deletes or extends that date.*

4     SEC. 3.5. Section 33071 is added to the Government Code, to  
5     read:

6     33071. (a) *The Legislature further finds and declares that a*  
7     *fundamental purpose of redevelopment is to expand the supply of*  
8     *low- and moderate-income housing, to expand employment*  
9     *opportunities for jobless, underemployed, and low-income persons,*  
10    *and to provide an environment for the social, economic, and*  
11    *psychological growth and well-being of all citizens.*

12    **(b)** *This section shall become operative on January 1, 2016.*

13    SEC. 4. Section 33131.5 is added to the Health and Safety  
14    Code, to read:

15    33131.5. (a) *In addition to authority otherwise provided in*  
16    *this part, the Redevelopment Agency of the City of Los Angeles,*  
17    *at the request of its legislative body, may do both of the following:*

18    ~~(a)~~

19    (1) *Prepare applications for various state and federal grant*  
20    *programs relating to economic development, plan and carry out*  
21    *those programs and expend grant funds inside or outside any*  
22    *redevelopment project area within the territorial jurisdiction of the*  
23    *agency, and comply with any conditions of the program.*

24    ~~(b)~~

25    (2) *Accept any other assistance from the state or federal*  
26    *government or any public or private source, spend those funds for*  
27    *any economic development activities inside or outside any*  
28    *redevelopment project area within the territorial jurisdiction of the*  
29    *agency, and comply with any conditions of that assistance.*

30    **(b)** *This section shall remain in effect only until January 1, 2016,*  
31    *and as of that date is repealed, unless a later enacted statute, that*  
32    *is enacted before January 1, 2016, deletes or extends that date.*

33    SEC. 5. Section 33333.9 is added to the Health and Safety  
34    Code, to read:

35    33333.9. (a) *An agency shall not amend a redevelopment plan*  
36    *to increase or extend the limits imposed pursuant to Section*  
37    *33333.2, 33333.4, or 33333.6 for the purpose of implementing the*  
38    *authority granted by the act adding this section.*

1     **(b)** *This section shall remain in effect only until January 1, 2016,*  
2 *and as of that date is repealed, unless a later enacted statute, that*  
3 *is enacted before January 1, 2016, deletes or extends that date.*

4     SEC. 6. Article 10.5 (commencing with Section 33427) is  
5 added to Chapter 4 of Part 1 of Division 24 of the Health and Safety  
6 Code, to read:

7  
8             Article 10.5. Small Business Development  
9

10     33427. (a) In addition to any other authority granted under  
11 this part, an agency may, within a project area, for the purposes  
12 of redevelopment, assist public agencies or private nonprofit  
13 corporations to establish, construct, and maintain a small business  
14 incubator.

15     (b) In addition to any other authority granted under this part, an  
16 agency may, for the purposes of redevelopment, provide loan  
17 guarantees for small businesses located within a project area.

18     (c) For the purposes of this section, “small business” shall have  
19 the same meaning as defined in Section 11342.610 of the  
20 Government Code.

21     33428. *This article shall remain in effect only until January 1,*  
22 *2016, and as of that date is repealed, unless a later enacted statute,*  
23 *that is enacted before January 1, 2016, deletes or extends that*  
24 *date.*

25     SEC. 7. Section 33440 of the Health and Safety Code is  
26 amended to read:

27     33440. (a) Except as provided in Article 9 (commencing with  
28 Section 33410), Article 10.5 (commencing with Section 33427),  
29 or Section 33444.6, this part does not authorize an agency to  
30 construct any of the buildings for residential, commercial,  
31 industrial, or other use contemplated by the redevelopment plan,  
32 except that, in addition to its powers under Section 33445, an  
33 agency may construct foundations, platforms, and other like  
34 structural forms necessary for the provision or utilization of air  
35 rights sites for buildings to be used for residential, commercial  
36 industrial, or other uses contemplated by the redevelopment plan.

37     **(b)** *This section shall remain in effect only until January 1, 2016,*  
38 *and as of that date is repealed, unless a later enacted statute, that*  
39 *is enacted before January 1, 2016, deletes or extends that date.*

1     SEC. 7.5. *Section 33440 is added to the Government Code, to*  
2 *read:*

3     33440. (a) *Except as provided in Article 9 (commencing with*  
4 *Section 33410), this part does not authorize an agency to construct*  
5 *any of the buildings for residential, commercial, industrial, or*  
6 *other use contemplated by the redevelopment plan, except that, in*  
7 *addition to its powers under Section 33445, an agency may*  
8 *construct foundations, platforms, and other like structural forms*  
9 *necessary for the provision or utilization of air rights sites for*  
10 *buildings to be used for residential, commercial industrial, or*  
11 *other uses contemplated by the redevelopment plan.*

12     (b) *This section shall become operative on January 1, 2016.*

13     SEC. 8. Section 33444.5 of the Health and Safety Code is  
14 amended to read:

15     33444.5. (a) An agency may establish a program under which  
16 it provides loans, financial guarantees, or other financial assistance  
17 to owners or tenants in a redevelopment project area, for any of  
18 the following purposes:

19     ~~(a)~~

20     (1) Rehabilitating commercial buildings or structures within the  
21 project area.

22     ~~(b)~~

23     (2) Retaining or expanding employment in the project area.

24     ~~(c)~~

25     (3) Increasing energy efficiency of buildings in the project area.

26     ~~(d)~~

27     (4) Any other redevelopment purpose specified in Section  
28 33021.

29     (b) *This section shall remain in effect only until January 1, 2016,*  
30 *and as of that date is repealed, unless a later enacted statute, that*  
31 *is enacted before January 1, 2016, deletes or extends that date.*

32     SEC. 8.5. *Section 33444.5 is added to the Government Code,*  
33 *to read:*

34     33444.5. (a) An agency may establish a program under which  
35 it loans funds to owners or tenants for the purpose of rehabilitating  
36 commercial buildings or structures within the project area.

37     (b) *This section shall become operative on January 1, 2016.*

38     SEC. 9. Section 33444.6 of the Health and Safety Code is  
39 amended to read:



1     33444.6. (a) Within a project area and as part of an agreement  
2     that provides for the development, rehabilitation, or use of property  
3     that will be used for industrial or manufacturing purposes, an  
4     agency may assist with the financing of facilities or capital  
5     equipment, including, but not necessarily limited to, pollution  
6     control devices.

7     (b) In addition to any other authority granted pursuant to this  
8     part, an agency may, for the purposes of redevelopment, construct  
9     buildings for industrial or manufacturing purposes that meet the  
10    criteria in subdivision (e) of Section 33021.

11    (c) Prior to entering into an agreement for a development that  
12    will be assisted pursuant to this section, the agency shall find, after  
13    a public hearing, that the assistance is necessary for the economic  
14    feasibility of the development and that the assistance cannot be  
15    obtained on economically feasible terms in the private market.

16    (d) *This section shall remain in effect only until January 1, 2016,*  
17    *and as of that date is repealed, unless a later enacted statute, that*  
18    *is enacted before January 1, 2016, deletes or extends that date.*

19    SEC. 9.5. *Section 33444.6 is added to the Health and Safety*  
20    *Code, to read:*

21    33444.6. (a) *Within a project area and as part of an*  
22    *agreement that provides for the development or rehabilitation of*  
23    *property that will be used for industrial or manufacturing purposes,*  
24    *an agency may assist with the financing of facilities or capital*  
25    *equipment, including, but not necessarily limited to, pollution*  
26    *control devices.*

27    (b) *Prior to entering into an agreement for a development that*  
28    *will be assisted pursuant to this section, the agency shall find, after*  
29    *a public hearing, that the assistance is necessary for the economic*  
30    *feasibility of the development and that the assistance cannot be*  
31    *obtained on economically feasible terms in the private market.*

32    (c) *This section shall become operative on January 1, 2016.*

33    SEC. 10. The Legislature finds and declares that the purpose  
34    of this act is to clarify existing law and to provide agencies with  
35    additional authority to assist businesses in order to encourage the  
36    retention of existing employment opportunities and the attraction  
37    of new employment opportunities. Nothing in this act shall be  
38    construed as limiting or restricting the authority that an agency  
39    possessed prior to the effective date of this act.

1     SEC. 11. The Legislature finds and declares, with respect to  
2     Section 4 of this act, that a special law is necessary and that a  
3     general law cannot be made applicable within the meaning of  
4     Section 16 of Article IV of the California Constitution because of  
5     the unique circumstances, needs, and challenges of the City of Los  
6     Angeles.

O